

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

BOB STUMP - Chairman GARY PIERCE BRENDA BURNS BOB BURNS SUSAN BITTER SMITH 2014 JAN 15 P 3: 14

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IN THE MATTER OF THE APPLICATION OF COPPER VALLEY TELEPHONE, INC., AN ARIZONA CORPORATION, FOR A HEARING TO DETERMINE THE EARNINGS OF THE COMPANY, THE FAIR VALUE OF THE COMPANY FOR RATEMAKING PURPOSES, AND TO INCREASE RESIDENTAL RATES AS NECESSARY TO COMPENSATE FOR THE RATE DOCKET NO. T-02727A-13-0458 Arizona Corporation Commission DOCKETED

JAN 15 2014

DOCKETED BY PROCEDURAL ORDE

BY THE COMMISSION:

IMPACTS OF THE FCC'S USF/ICC

TRANSFORMATION ORDER.

On December 19, 2013, Copper Valley Telephone, Inc. ("Copper Valley") filed with the Arizona Corporation Commission ("Commission") pursuant to A.R.S. §40-250 and Arizona Administrative Code ("A.A.C.") R14-2-103 for a determination of its earnings and the fair value of its investment ("Rate Application"). Copper Valley requested that its residential rates be increased as necessary to compensate for the rate impacts of the Federal Communication Commission's ("FCC") November 18, 2011, USF/ICC Transformation Order ("USF/ICC Order"). Copper Valley states that that it must increase local area rates to an annual floor as determined by the FCC, or lose federal loop support. At the time of filing the Rate Application, Copper Valley did not know what the 2014 floor would be, and expected the rate to be announced in early 2014, to be effective June 1, 2014. Because of the short period of time to adjust Copper Valley's rates to avoid the loss of federal support, which Copper Valley alleged would be detrimental to ratepayers, Copper Valley requested that the Commission approve a local residential rate increase of up to \$19.00. Copper Valley did not file all of the schedules required for a typical rate case under A.C.C. R14-2-103, and requested a waiver of any provisions of this rule not required by the Arizona Constitution and laws.

In a Special Open Meeting on January 14, 2014, the Commission agreed to the Commission's

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Utilities Division ("Staff") proposal not to require all of the schedules normally required under A.A.C. R14-2-103 for rate applications in this matter because of the short time frame when new rates must be in effect. The Commission had utilized a similar procedure after the USF/ICC Order was first issued and required an increase in local area rates.

Given the short time frame for processing the Rate Application, it is necessary to establish an expedited process for this matter.

IT IS THEREFORE ORDERED that a **Telephonic Procedural Conference** for the purpose of setting the matter for hearing and establishing the procedures, including notice, that will govern this proceeding shall commence on **January 22**, **2014**, **at 10:00 a.m.**, or as soon thereafter as practical at the Commission's Tucson offices, **Room 222**, **400 W. Congress, Tucson**, **AZ 85750**. Parties may call-in on the following number: **1-888-450-5996**, **Code 457395**.

IT IS FURTHER ORDERED that in the interest of judicial efficiency and economy, the Procedural Conference in this matter will be held concurrently with Procedural Conferences being set for similar requests made by Arizona Telephone Company (Docket No. T-02063A-13-0411), Table Top Telephone Company (Docket No. T-02724A-13-0416), Southwestern Telephone Company (Docket No. T-01072A-13-0412), South Central Utah Telephone Association, Inc. (Docket No. T-01923A-13-0428), and Valley Telephone Cooperative, Inc. (Docket No. T-01847A-13-0457).

IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend, or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

DATED this 15th day of January, 2014.

JANE/L RODDA

ADMINISTRATIVE LAW JUDGE

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